



31 March 2009

The Directors of Saferoads Holdings Limited (SRH) wish to advise that the slowing national economy coupled with the weaker Australian dollar and the change in demand for the Company's products continues to impact unfavourably on the Company's financial performance.

In response to the revised outlook, the Company has conducted a major review of its operations, relocating its Victorian Branch office into its head office location, rationalising its offices in NSW and Qld, and restructuring at a senior management level. This restructure has flattened the organization structure and sharpened focus on sales and margins.

Year to date performance together with revised forecast sales for the remainder of the year indicate that the annual revenue should not be materially different from that achieved for the full year ended 30 June 2008. However, after accounting for significant redundancy and other restructuring costs, NPAT as a percentage of revenue will be materially lower at approximately 2% compared with 8.6% in the previous year.

Our Bankers have been fully informed of the actions we have taken and we continue to enjoy their full support.

The Directors are confident that the Company will consolidate on the strategic and structural changes made and be in a sound position to benefit from a strengthening national economy and the flow into the market of recently announced Government spending initiatives for Australia's road infrastructure.

Please direct any queries to Mr Darren Hotchkin, phone 0419 512 850 or to Mr Duncan Smith, phone 0408 251 957.

A handwritten signature in blue ink, appearing to be "D. Hotchkin", written over a light blue horizontal line.

Darren Hotchkin
Managing Director

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